

Alan Nisselson (anisselson@windelsmarx.com)
Chapter 7 Trustee
WINDELS MARX LANE & MITTENDORF, LLP
156 West 56th Street
New York, New York 10019
Telephone: (212) 237-1000

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re

China Chalet East LLC,

Debtor.

Chapter 7

Case No. 20-11236-jpm

TRUSTEE'S FIRST INTERIM STATUS REPORT

**TO THE HONORABLE JOHN P. MASTANDO III,
UNITED STATES BANKRUPTCY JUDGE:**

Alan Nisselson (the “**Trustee**”), as trustee for the chapter 7 estate (the “**Estate**”) of China Chalet East LLC (“**Debtor**”), submits this first interim status report of case and respectfully represent as follows:

A. Procedural Background

1. On May 20, 2020 (the “**Petition Date**”), the Debtor filed a voluntary petition for relief under chapter 7 of the Bankruptcy Code, by its Attorney, Phillip Mahoney, Esq.

2. Thereafter, the United States Trustee (“**UST**”) appointed the Trustee as interim trustee of the Debtor’s Estate pursuant to Bankruptcy Code § 701(a),

3. The Trustee qualified and is now serving as permanent trustee. The §341(a) meeting is closed

B. The Debtor and its Assets and Liabilities

4. On June 11, 2020, the Trustee conducted the Debtor’s initial Bankruptcy Code § 341(a) meeting of creditors. Keith Ng, the Debtor’s sole owner, appeared at the meeting on behalf of the Debtor.

5. This case is related to the Chapter 7 cases of Lan Xuan Corp., d/b/a Our Place China Chalet, Case No. 20-11235-jpm and Keith Restaurant Inc., d/b/a China Chalet, Case No. 20-11237-jpm (the “**Related Cases**”). The Related cases were restaurants also owned by Keith Ng. The Trustee is also Trustee for the Related Case, which are pending.

6. Keith Ng filed a chapter 7 petition for relief in the United States Bankruptcy Court for the Eastern District of New York, Case No. No. 1-20-42050-jmm. Debra Kramer acted as trustee for the Keith Ng case and just recently completed administration of that estate.

7. The Debtor operated as a Chinese restaurant from premises located at 216 East 49th Street, New York, NY pursuant to a lease agreement (the “**Lease**”) with 216 E. 49th Street LLC (the “**Landlord**”).

8. The Debtor ceased operating in March of 2020 due to the Covid-19 outbreak.

9. The Debtor listed assets consisting of cash balances of \$2,741.2 (the “**Funds**”), general restaurant property including furniture, kitchen equipment, dinnerware, fixtures, supplies, decorations, office supplies and machinery and inventory of beverages (the “**Restaurant Property**”) and the Lease. The Debtor’s liabilities consisted of unsecured debts totaling \$5,188,428.62. (Dkt. No. 10).

10. The Trustee determined that the Restaurant Property had no value to the Estate and on June 24, 2020, filed a Notice of Abandonment of the Restaurant Property. (Dkt. No. 13).

11. On July 20, 2020 the Court So Ordered a stipulation between the Trustee and the Landlord under which, *inter alia*, the Lease was deemed rejected as of the Petition Date, the Trustee forfeited the security deposit to the Landlord and the landlord released any claims against the Estate. (Dkt. No. 15).

12. The Trustee has collected funds totaling \$24,359.19 consisting of turnover of Funds of \$1,755.21, and turnover from the Debtor of 2 unscheduled assets: a New York State tax refund of \$4,352.00 and an insurance refund of \$18,251.98.

C. Proofs of Claim.

13. Upon request of the Trustee, the Court established October 26, 2020 as the last date within which non-Governmental entities could timely file proofs of claim in the Debtor's case. The last date for Governmental entities to file timely proofs of claim is November 16, 2020.

14. One (1) claim in the amount of \$80,000.00 is filed in the Debtor's case.

D. Case Status

15. The Trustee's retained accountant, Joseph A. Broderick, P.C. is preparing the Estate's final tax returns. Upon submission of the returns the Trustee will prepare his Final Report and account.

Dated: New York, New York
February 14, 2023

Respectfully submitted,

/s/ Alan Nisselson

Alan Nisselson (anisselson@windelsmarx.com)

Chapter 7 Trustee

WINDELS MARX LANE & MITTENDORF, LLP

156 West 56th Street

New York, New York 10019

Telephone: (212) 237-1000